ART. VI. — 1. *The Annual Report of the Secretary of the Treasury to Congress.* Washington, December 6, 1869.
2. *The Annual Report of the Comptroller of the Currency.* Washington, November 10, 1869.

THE maxim that "finance is nothing if not scientific" is hardly suited for popular acceptance. The great mass of men, whether engaged in trade or not, have but little faith in the existence of any principles or laws governing the movements of the currency and monetary affairs. They look upon inflations and contractions, upon stagnations and crises, as the results of the blind working of some unseen power; and when the tempest overtakes them in its course, they are inclined, like the Mahometan, to bow their heads, with the exclamation, "Allah is great!" If the policy pursued by Mr. Boutwell results in success, the popular belief, or want of belief, will receive a fresh justification. In fact, the conduct of the finances of the United States for the last nine years has been in open defiance of all the laws which had come to be regarded as the axioms of political economy. All Europe has looked on in wonder at the spectacle of a nation which, setting at naught all established traditions, has yet successfully concluded a civil war on the largest scale, and during five years subsequently has met with no serious financial collapse or reverse. We are old-fashioned enough, however, to believe that the laws of finance, like those of other sciences, are universal and invariable in their operation; that, however they may be for a time artificially counteracted, they will ultimately assert themselves; that the mills of God, though they may grind slowly, grind exceeding small.

Mr. Boutwell finds in the treasury a surplus, above interest and expenses, greater than that of any country in the civilized world; but he finds, at the same time, our bonds selling at lower prices than those of many nations which have a chronic deficit. He finds the country, moreover, oppressed with the evils of an inconvertible currency, and an increasing disposition to neglect the labors of production for the more seductive occupation of gambling upon the stock and gold exchange. Under these circumstances he adopts the policy of getting out of

debt. This conduct in a private citizen would be highly praiseworthy; but we have grave doubts whether any person in his senses would think of buying up his own unmatured debt at a premium, while his immediate and overdue liabilities were unpaid and dishonored.

The surplus for the year ending June 30, 1869, is stated by Mr. Boutwell at forty-nine millions, and that for the succeeding year is estimated at one hundred and two millions. Setting aside the delicate question of protection, involved in the tariff, we find that in 1869 there were derived from the income-tax thirty-five millions, and from stamps sixteen millions, which sums are a direct tax upon the people at large. Now the national debt is borrowed of capitalists at six per cent, or at all events that would be the rate on a return to specie payments, and the bonds are not due for ten or fifteen years. The simple question is, whether the money is not worth more than that to the people; in other words, whether, retaining the taxes as capital, the people would not accumulate more than the amount of the interest, and thus be better able to pay the debt ten years hence than they are to-day?

If indeed there is an important improvement of credit to be gained by the purchase of bonds, or if the purchase helps us towards specie payments, these objects may be worth the sacrifice. As to the first point, a glance at English experience may not prove uninstructive. For twenty years past the English budget has shown a very small surplus, in some instances even a deficit. The government could easily have forced a surplus out of the people, but it has preferred to make constant remissions of taxation. By this course, although the English debt remains nearly or quite as large as ever, great additions have been made to the wealth of the nation, to say nothing of the immense social advantages obtained. English credit never stood higher. The burden of the debt is much less, and it could be much more easily paid off, now than in 1840. The people at large as against the capitalist have made a great and perfectly legitimate gain, in the decline in the value of money through the production of gold and silver, and the increased use of credit. It is not, moreover, an inappreciable advantage that the continued existence of the debt forms a

wholesome check upon engaging in foreign wars. If ours is not in these points a parallel case, we have yet to learn in what the difference consists.

As regards the placing of a $4\frac{1}{2}$ per cent loan, we are confronted by the stubborn fact that our six-per-cents are selling below par. Mr. Boutwell states that his purchases of the six per cent five-twenty bonds have averaged in price eighty-eight and fifty-five hundredths. By what process he expects to make other people buy of him a five-per-cent bond at par is not apparent. His main argument is that the United States *ought* to borrow at a less rate, which may be a very sound one in morals; but we have doubts of its efficacy in finance. Undoubtedly our bonds have steadily continued to advance in Europe; but, on the other hand, the money-markets there have been for three years in an exceptional state of ease and stagnation, and any change must be for the worse. Credit to America has been a fruitful source of panic in the past. It is to be hoped that this time the panic will not be in proportion to the credit. As to the proposal to pay our interest in different currencies abroad, we sincerely trust that Congress will continue to interpose a firm resistance. Apart from the expense involved in bankers' commissions and the handling of exchanges, we think something is due to national dignity. We should prefer that foreigners, if they wish it, should come to us to lend, rather than that we should go to them to borrow; our finances are strong enough to be managed at home, without descending to the expedients of an insolvent railroad company. As to specie payments, we hope to show that they are a question of currency and not of funded debt.

With deference to Mr. Boutwell, then, we believe in the wisdom of such remission of taxation as will leave only a moderate surplus for a sinking-fund, to be coupled, however, with the indispensable condition of a return to specie payments at any cost.

The real cause of our impaired credit is so palpable that, if our eyes were not blinded by apparent interest, there would not be a moment's discussion about it. The United States are liable for seven hundred millions of paper money (for the government guarantees the bank circulation); that is, of promises to pay on demand, which they refuse to pay, but allow to

remain at a discount as compared with real money. The foreign holder of our bonds is in constant fear, not of total repudiation, but of payment in what we choose to call money. This fear can be at once and completely removed by making our currency convertible into gold, and in no other way. How can we ever expect our credit to be good while we refuse to do this, which, as far as the treasury is concerned, could be accomplished without difficulty? Any required portion of the notes can be withdrawn from circulation, either through the surplus revenue, or, if that fails, by funding them until their amount is so reduced that they are more in demand than specie. The objection, commonly advanced as final, to this obvious course is, that it will distress the business of the country.

We will not attempt to illustrate the evils of an irredeemable currency. Unfortunately, or fortunately, they are daily making themselves more manifest, and we listen with pleasure to the daily increasing clamor for a return to an unvarying monetary standard. President Grant says that the methods proposed for returning to specie payments are as numerous as the speculations upon political economy, but his native good sense leads him to indicate the only one which will bear the tests of logic and experience, — contraction. All the others are expedients for accomplishing the end without a fall of prices, — for enabling us to eat our cake and have it.

Mr. Boutwell thinks that the fulfilment of two conditions must precede any serious attempt to return to specie payments. As to the first, — that our bonds shall cease to be floating in the European markets, and shall be so used for permanent investments as to preclude their sudden return in large amounts, — it is necessary to say only that it is extremely uncertain whether this will ever take place, and that it would be quite impossible to know when it had taken place. In our return to specie payments and in the adjustment of our system for their maintenance, we must contemplate and be prepared to encounter a sudden reshipment of our bonds from abroad. As a second condition of a return to specie payments, Mr. Boutwell holds that the amount of our exportable products must be so increased as to affect our imports, without calling for a constant shipment of bonds and gold to settle the balance against

us. Now, the reverse condition of affairs which has prevailed for some years past we conceive to be a direct consequence of the vicious state of our currency, which will never correct itself, but can be overcome only in one of two ways, — either by a great rise in the price of gold, or by a corresponding fall of prices through contraction of the currency. In support of this position we may be pardoned for stating briefly what we believe to be the well-established basis of the theory of currency.

If the money of this country consisted wholly of gold and silver, an addition to its quantity would cause, other things being equal, a rise of prices, making it a good country to sell in and a bad country to buy in. The sales here by foreigners would then amount to more than their purchases; in other words, the imports would exceed the exports, and the balance would be taken away in money till prices fell here or rose abroad, and an equilibrium was restored. If the increase of money, instead of being in specie, consisted of paper convertible into specie, the result would be the same, except that, as foreigners would take away only specie, the proportion of specie to paper, when the equilibrium was restored, would be smaller than in the beginning. If the increase of money through paper issues were continued, a suspension of specie payments would have to be resorted to, in order to prevent all our gold being drained away. Thenceforward the protection against adverse trade would consist in the premium upon gold. If we found that our exports balanced our imports, we might conclude that the premium upon gold fairly represented the depreciation of the currency through excess; but if we found that the excess of imports still caused a drain of gold or of promises to pay gold, the conclusion would be that the premium was too low, and that an excess of currency still made this a good country to sell in and a bad one to buy in. We thus return to our original position, that the consummation desired by Mr. Boutwell is not to be arrived at by waiting, but only by a rise in the price of gold, or a direct action upon the currency.

Before entering upon the method of contraction, we will examine by the light already obtained the effect of the gold sales from which Mr. Boutwell has mainly procured the means for his large purchases of bonds. The arguments in favor of these

sales rest, first, upon the undesirability of keeping so large an amount of gold in the treasury at a loss of interest; and, secondly, upon the desirability of preventing a rise in the premium on gold through the combinations of speculators. The amount of gold in the treasury on the first day of December was one hundred and six millions, of which forty-one millions were needed for interest accrued but unpaid, and thirty-seven millions were due upon certificates of deposit payable on demand. Only twenty-eight millions therefore were left as the actual property of the treasury. Now the currency of the country, including notes of all kinds and bank deposits, is about one thousand three hundred millions. If we add, therefore, to the whole amount of gold lying in the treasury thirty millions as the amount held by the national banks (that amount consisting itself in part of treasury certificates of deposit), we have a total reserve of about ten per cent. Surely, if we are ever to resume specie payments, at least this amount of reserve must be held by somebody. As to the effect of the sales by the treasury upon the gold market, if our statement of the theory of the currency is correct, the artificial depression of the price of gold has not the smallest effect in securing a return to specie payments, but is simply an injury to the exporter of grain, cotton, etc., and a stimulus to importations by reducing the cost of imported goods. It thus tends directly to prevent the adjustment of the balance of trade so much desired by Mr. Boutwell, and is an apposite illustration of the maxim that you cannot warm a room by heating the thermometer.

But even if we have succeeded in demonstrating the necessity of contraction, in order to secure a resumption of specie payments, we have still made but little progress. The question remains, — What degree of contraction is necessary? If Mr. Boutwell had been able to depress gold to par, we should have been no nearer specie payments, because, the currency remaining as it is, the price would have been sure to rise again as soon as he stopped selling. If, then, the fall of gold to par is not the test of the possibility of resumption, what is? We answer, the condition indicated by Mr. Boutwell, that our exports shall offset our imports, in other words, the course of foreign exchange. But this is a matter not to be ascertained

at any given time, the forces at work being too silent and unseen. A currency, even though convertible, may be greatly inflated, and the adverse trade may go on for a long time, its effects being concealed through the operation of credit, until a sudden panic brings on either a suspension of specie payments or one of those ruinous crises of contraction, to which we have become so accustomed as almost to expect them in the regular course of nature.*

We are in favor of the greatest possible amount of money, provided it be gold and silver, or strictly and at all times convertible into these, because we believe that there are productive and beneficial enterprises, awaiting development, sufficient to employ it all. We do not yield on this point to the wildest inflationist, provided the condition of convertibility can be secured beyond contingency. Contraction under a crude and ill-digested system, requiring it to be carried farther than is necessary, would be useless torture, and a check upon the productive enterprise of the country. Can our existing system be justly thus characterized or not?

We have, at the present time, a double currency, consisting of legal-tender notes, known as greenbacks, and of notes of national banks. The greenbacks cost the government nothing beyond the expense of preparation. They formed the entire currency of the country during the greater part of the war, and answered perfectly the end of furnishing a uniform national currency. The national-bank system was originated by Mr. Chase and his supporters, to enable him to evade the positive refusal of Congress to increase the amount of greenbacks beyond four hundred and fifty millions, and by this means to make it possible to float a five-per-cent loan at par. When one considers the part taken by Chief Justice Chase in placing us in our present position, it seems like a jest to talk of the Supreme Court declaring the legal-tender act unconstitutional, and thus exposing the country to the distress of this crudest and clumsiest form of contraction. It could easily be shown,

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* The desideratum is, then, such an adjustment of our system of currency as will show, as nearly as possible at any time, the actual state of our foreign trade; shall detect inflation and adverse trade at the earliest moment; shall, of its own action, interpose resistance, and effect the contraction necessary to restore the due level.

did space allow, that the national-bank circulation costs the government fully fifteen millions per annum, exclusive of all taxes and deductions *incident to circulation.* At this cost it certainly ought to possess some important advantages over greenbacks, but in point of uniformity it is certainly not better, being issued by different banks, and in security it stands on precisely the same footing as the greenbacks; the treasury guarantees its prompt redemption on the failure of any bank, it having been clearly seen from the first that on no other condition would the national-bank notes circulate at par. The government has a nominal security in the deposit of bonds, the lien on deposits, and the liability of stockholders. But is it worth fifteen millions of dollars per annum to the government to be guaranteed against the repudiation of its own promises? *

The suggestion of redemption is a simple absurdity. To sort out and return the notes to the issuing banks would be a burden which nobody has the slightest inducement to assume. Of three hundred and seventeen millions of notes which have been issued, only seventeen millions have been exchanged for new notes, the remainder having been in circulation for nearly five years. The condition of these notes fully justifies the sarcasm that, "if we must have an inconvertible paper, we might, at least, have a decent one." The bank officers will tell you, with a wondering chuckle, that they do not know what has become of their circulation, as they have never seen it since it was issued, their functions being limited to the pleasant task of receiving their semi-annual dividends.

It is claimed that the banks aided largely in placing the government loans. We believe that the issue of a corresponding amount of greenbacks would have been just as effectual; but, granting this claim, it may be urged that the sixty or seventy millions which the banks have received have been a full compensation for this service, and that it is time to turn over a new leaf. The great argument against greenbacks, and a perfectly sound one, is that they are liable to be issued in ex-

* Be it observed that this fifteen millions is precisely the sum which Mr. Boutwell proposes to save by refunding one thousand millions of bonds at four and one-half per cent. We venture to recommend to him to turn his attention to a more practicable retrenchment.

cess on every sudden impulse of the government. But unfortunately, the argument is applicable in its full extent to the bank circulation. The three hundred millions authorized by Congress were absorbed just as easily as the four hundred millions of greenbacks, and three hundred millions more might have been issued and absorbed in like manner. In the case of bank-notes, moreover, there is a compact and powerful body of men always interested in urging increased issues. We hear already that the South and West require more banking facilities, which means that there are numerous associations of individuals in those sections desirous of sharing in the public plunder.

Presuming that there must be some defence of this system possible, we turn to the Report of the Comptroller of the Currency: "There are two kinds of currency in use, — one issued directly by the government; the other issued by the banks. One kind would seem to be enough. The best should be preserved and perfected, the other withdrawn."

"Applying the test first to the government issues, it is noted at once that they are not redeemable, and that no provision has ever been made for that purpose. The very moment they are made redeemable, they will cease to answer the purposes of currency; for after they are redeemed, they are in the treasury and cannot be paid out, except as disbursement may be necessary to pay expenses and debts of the government." There is a convenient confusion of thought here between the terms "redeemable" and "redeemed"; but the objection, if fatal to greenbacks, has fully as much force against bank-notes.

"So that government circulation is not convertible and therefore is not elastic, and cannot be made so without a radical change in the organization of the United States treasury, by which it should be converted into a huge banking institution calculated to receive deposits, make loans, and otherwise perform the functions of a national bank." Upon this point we propose to join issue presently.

"The notes issued by national banks are nominally redeemable" (in illustration of our charge of confusion of thought, above, we may add that not even nominally are they *redeemed*); "and if the legal-tenders were out of the way, would be actually so," — an assertion which seems to us a very fair example

of *petitio principii.* The Comptroller goes on to say that the greenbacks must be absorbed in large amounts for government dues, and largely disbursed at other times, and in both cases without reference to the wants of trade. We think a little reflection would have convinced him that the same thing must occur, whatever currency is used, and that it is not a question of the kind of notes, but of the financial arrangements of the treasury.

"The argument that the government should furnish the currency, in order that it may realize the profit upon its circulation, is a common one, but will not bear scrutiny. There is no profit to the government on the circulation of an inferior currency. Only a sound currency will promote the material prosperity of the people; and the government can realize no profit from anything detrimental to their interests." All this proceeds upon the assumption that the government currency must necessarily be inferior. If it can be shown that the government currency can be made equally sound with the bank-notes, or more sound, there is nothing said here which should lead us to forego the saving of fifteen millions of dollars per annum.

"No human intelligence can fix the amount of currency that is really needed; for it is continually varying and never fixed." To this proposition we yield a ready assent, but we think that it by no means justifies the inference that "no check or limitation should be imposed upon it other than the law of supply and demand." If this principle be sound, it might be proved that we have not now too much currency, as the demand is fully equal to the supply; and if the latter were increased by three hundred millions more, there would be a demand for it all. It may be safely asserted that what is called "free banking" is incompatible with the maintenance of a permanent specie basis.

"A self-adjusting system of currency is the only one that is adapted to the exigencies of trade and to the wants of the country; and it is a vital question, at this time, whether this result can be reached before the return to specie payments. If possible at all, it is only possible through the agency of the national banks." We wish that, instead of a sweeping assertion, the Comptroller had given some explanation of the process by which the result is to be reached; how the specie in

the treasury is to be distributed through the vaults of seventeen hundred banks. Of course resumption must be simultaneous throughout the country. New York and Boston cannot move till Chicago, St. Louis, and New Orleans are ready. But, supposing this condition fulfilled, will all the bank-notes circulate at par? We have pointed out that even on a greenback basis the government was forced to guarantee the redemption of the bank-notes, in order to make them circulate at par. Will they be more current when the banks have to pay specie? Or are we to have the spectacle of specie-paying banks whose issues shall be guaranteed by the government?

We have denied that the law of supply and demand furnishes a test of the proper quantity of currency, and have proposed instead the relation of the amount of our currency to that of other countries as indicated by the foreign exchanges, or, as Mr. Boutwell puts it, by the equilibrium of our exports and imports. To ascertain this relation, a delicate self-adjusting index is necessary, and we maintain that the system of bank currency is the very worst possible for this purpose. This is a specie-producing country, and the export of specie is just as legitimate as that of grain, provided it does not touch the reserves which insure the redemption of the currency. If those reserves are scattered through numerous banks, there are no means of distinguishing a foreign drain, which implies excessive issues, from a run for gold which might occur from distrust of the banks, and be quite compatible with a currency unduly contracted. And further, as the specie reserves are liable to the claims of depositors, a withdrawal of gold would not of necessity enforce a contraction of issues of notes.

We have stated our belief that the argument against a direct issue of treasury-notes like greenbacks, based on its liability to political tampering, is a perfectly sound one. We think, however, that a modification of the system of treasury issues could be arranged which would suit all the requirements of the situation.

The ideal system of the bullionist is one by which every note issued should have an actual deposit of bullion against it, which should be held intact for its redemption. Of course there would then be no possibility of suspension. This system,

however, would require an immense amount of gold to be kept idle, with a loss of interest which would never be submitted to. But the same result may be obtained with a much smaller amount of reserves. A certain amount of currency must always remain afloat in the country, and can never be presented for redemption, because, before contraction could go so far, the fall of prices would be so great as to draw specie from abroad. This amount, which would be wholly matter of experiment, might be issued upon fixed securities like government bonds. After that, every note issued should have a deposit of specie against it.

Further explanation may be best given in a practical form. Upon this plan the government would charter a corporation in New York, entitled, we will say, the Office of Issue. It would be owned and guaranteed by the banks, and its officers would be appointed by the banks and the government jointly. It would have, however, nothing whatever to do with banking, its business being purely mechanical, and confined to the issue of currency. The government would then present the national bank-notes as fast as received from taxes, etc., to the issuing banks, to be redeemed in greenbacks, with the alternative of allowing the notes to be cancelled, together with the corresponding amount of bonds deposited against them. To get the money for its disbursements, the government would then transfer to the Office of Issue the same amount of bonds, and receive the notes of the office. If we suppose all the bank-notes to be thus called in and the new notes substituted, the Office of Issue would then hold the same amount of bonds as the banks now hold, but in lieu of interest it would receive a fixed sum to be agreed upon in concert with the treasury, as a compensation for furnishing the circulation. Probably three millions of dollars, or the one per cent tax which the banks now pay the government, would be gladly accepted; but if it were made five millions, there would be a clear saving of upwards of twelve millions to the treasury over the present system. After the point of three hundred millions was reached, the Office would issue its notes only in exchange for greenbacks. Its notes would be a legal tender through the whole country, except at the place of issue, and it would be always bound to re-

deem any of its notes in greenbacks. Thus, even with the present amount of currency, we should have a central point to which the stream of notes would constantly flow, and the office would be required to keep them constantly fresh and clean.*

Now commences the work of contraction. The government would proceed to call in and cancel the greenbacks; and with the fall of prices, which, be it observed, is the real end towards which contraction is only a means, it would happen that at some point bullion instead of greenbacks would be brought to the office for notes, which is in fact a resumption of specie payments. When the amount of specie in the office should reach, we will say twenty-five millions, the treasury would turn over to it all the stock of gold held by the latter, and would receive notes in exchange. Thenceforward all the government business, including customs and the payment of interest, would be transacted by means of office notes.

It remains to show how specie payments could be maintained. In the first place, the specie in the Office of Issue could not be exhausted, because, as we have seen, the contraction of its notes would make the money-market so tight as to draw gold from abroad. Again, though there would be no other issue of notes in the country, deposit banking might be entirely free, subject to the condition that every bank should hold a proportion of reserve in notes of the Office; distrust of the banks would not, therefore, cause a demand for gold, but only for these notes. The demand for gold would be only for the wants of foreign trade. If this demand was only for our surplus product of the article, it would go on without causing any disturbance; but if through bank inflation our imports became excessive, gold would be demanded for notes at the Office of Issue. The loss of gold by the Office would give public notice of approaching contraction, and its continuance, with the withdrawal of notes, would enforce contraction of loans by the banks and of deposits, until gold ceased to flow abroad and began to accumulate in the Office of Issue, when the fresh supply of notes against it would put an

* The Comptroller advocates the establishment of a central agency for the redemption of the notes of the banks. What we propose is, that the agency shall issue as well as redeem the notes, and thus save an endless controversy about the rights and duties of the numerous banks.

end to contraction. The advantage thus gained would be the detection of inflation at the earliest possible point, and its correction by moderate contraction, instead of allowing it to go on unperceived till it ended in the violent contraction of a monetary panic.

If this were an *a priori* scheme, "evolved out of our own consciousness," we should hesitate to claim for it any superiority over the thousands of others which have appeared in the newspapers. But it happens that substantially the same thing has been subjected to the test of twenty-five years' experience in Great Britain, what we have called the Office of Issue being there known as the "Issue Department of the Bank of England." At no time during this period has the slightest doubt been thrown on the credit of the Bank of England, nor has the Issue Department failed to have on hand an abundant stock of specie. The money-crises of 1847, 1857, and 1866, and the consequent suspensions of the act of 1844, which were in no sense, however, a suspension of specie payments, were due to defects, which we cannot now point out, in the English system of banking as distinguished from the issue of currency; but the soundness of the principle on which the act of 1844 was based has been, as we believe, established beyond a doubt.

Lack of space has allowed us to give only a rapid sketch of the system thus advocated, and the same cause prevents us from anticipating and answering the numerous objections which may be urged against it. If we should be fortunate enough to draw them out from others, we hope to be fully prepared with a reply. One incidental advantage of this system, however, we cannot omit to notice. Both Mr. Boutwell and the Comptroller of the Currency inveigh against the practice of allowing interest on deposits, which are used by the New York banks in fostering speculation by means of loans on call. But these deposits are a part of the reserve which the law requires to be kept by the country banks. They must be loaned on call if at all, and the prohibition of interest upon them, even if it were not evaded, as it easily might be, would only give so much more profit to the New York banks. Under the proposed system, no bank would hold any reserve against circulation; and as the country banks would have to meet a demand for depos-

its only at their own counter, they would need no reserve beyond the actual notes in their vaults.

In closing this review, we must confess that we anticipate but little good from any amount of popular essays upon the subject. The real field of contest is in Congress; and as that body is at present organized there is but little chance of any question being treated upon its own merits, apart from the pressure of private interests. Every individual who can speak on the floor of the House is answerable to a knot of constituents, and is pursued by their private claims. Members who have the courage and independence to care for the interest of the country have no rallying-point for combination. Already we hear that there is a jealousy of the Committee on Banking and Currency, because General Garfield, the chairman, is known to favor contraction; and there is a disposition to refer everything to the Committee of Ways and Means. The head of the Executive Department, who may be supposed to represent the whole country, and to have no interest but in the success of his administration, has no means of enforcing his views but by "lobbying" with the committees, or by messages to Congress, which the majority can easily dispose of by referring them to a committee.* There is no people in the world so quick as ours to enter into or form a judgment upon public questions, but they are now debarred from getting the requisite information, because the debates are one-sided. If a Secretary of the Treasury, determined upon contraction, and ready to defend his position, were to take his stand in the House, and rally around him the independent minority of whom we have spoken, the country would be able to get at the merits of the case, and the elections would give the final decision of the people. We have a strong conviction that the essential preliminary to any reform, whether in finance, or the civil and diplomatic services, will consist in the admission of the heads of departments to the floor of Congress.

GAMALIEL BRADFORD.

* We understand that the national banks in convention have appointed a committee, of which Senator (or Representative?) Pomeroy is president, to look after their interests in the matter of adverse legislation. We should like to see somebody in Congress representing the interest of the whole people against legislation to be secured by bank combination.